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FISCAL IMPACT STATEMENT

LS 6115

BILL NUMBER: HB 1113

NOTE PREPARED: Dec 30, 2012

BILL AMENDED:

SUBJECT: Property Tax Deduction for Mortise and Tenon Barn.

FIRST AUTHOR: Rep. Cherry

BILL STATUS: As Introduced

FIRST SPONSOR:

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: Local

Summary of Legislation: This bill permits a person to receive a 100% deduction against the assessed value of certain mortise and tenon barns.

Effective Date: Upon passage.

Explanation of State Expenditures:

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues: *Summary:* This bill would result in a small, but indeterminable, tax shift from owners of older mortise and tenon barns to all taxpayers. There could also be a small, but indeterminable, increase in circuit breaker losses for local taxing units and school corporations.

Background: This bill would provide a 100% deduction from property taxes for barns originally constructed prior to 1936 using mortise and tenon joinery that are used predominantly for agricultural purposes.

There is currently no data available to help determine the number and value of barns that would be exempt under this bill. However, the number and value of all pole barns built before 1936 can be identified. The mortise and tenon barns would be a small subset of these amounts.

Statewide for taxes payable in 2012, there were just under 14,000 pole barns of all construction types with a total AV of about \$23 M and a property tax liability of about \$370,000. A small portion of this AV would be removed from the tax rolls under this bill, and a portion of the taxes would be shifted to other taxpayers or lost to increased circuit breaker credits.

State Agencies Affected:

Local Agencies Affected: County auditors; Local civil taxing units and school corporations.

Information Sources: LSA property tax database.

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